

EHB 2255 - S AMD 562

By Senator Parlette

NOT ADOPTED 04/15/2005

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 50.20.120 and 2003 2nd sp.s. c 4 s 11 are each
4 amended to read as follows:

5 (1)(a) Subject to the other provisions of this title, benefits
6 shall be payable to any eligible individual during the individual's
7 benefit year in a maximum amount equal to the lesser of thirty times
8 the weekly benefit amount, as determined in subsection (2) of this
9 section, or one-third of the individual's base year wages under this
10 title: PROVIDED, That as to any week which falls in an extended
11 benefit period as defined in RCW 50.22.010(1), an individual's
12 eligibility for maximum benefits in excess of twenty-six times his or
13 her weekly benefit amount will be subject to the terms and conditions
14 set forth in RCW 50.22.020.

15 (b) With respect to claims that have an effective date on or after
16 (~~the first Sunday of the calendar month immediately following the~~
17 ~~month in which the commissioner finds that the state unemployment rate~~
18 ~~is six and eight tenths percent or less~~) April 4, 2004, benefits shall
19 be payable to any eligible individual during the individual's benefit
20 year in a maximum amount equal to the lesser of twenty-six times the
21 weekly benefit amount, as determined in subsection (2) of this section,
22 or one-third of the individual's base year wages under this title.

23 (2)(a) For claims with an effective date before January 4, 2004, an
24 individual's weekly benefit amount shall be an amount equal to one
25 twenty-fifth of the average quarterly wages of the individual's total
26 wages during the two quarters of the individual's base year in which
27 such total wages were highest.

28 (b) With respect to claims with an effective date on or after
29 January 4, 2004, and before January 2, 2005, an individual's weekly
30 benefit amount shall be an amount equal to one twenty-fifth of the

1 average quarterly wages of the individual's total wages during the
2 three quarters of the individual's base year in which such total wages
3 were highest.

4 (c) With respect to claims with an effective date on or after
5 January 2, 2005, an individual's weekly benefit amount shall be an
6 amount equal to one percent of the total wages paid in the individual's
7 base year.

8 (3) The maximum and minimum amounts payable weekly under subsection
9 (2) of this section shall be determined under this subsection as of
10 each June 30th to apply to benefit years beginning in the twelve-month
11 period immediately following such June 30th.

12 (a)(i) With respect to claims that have an effective date before
13 January 4, 2004, the maximum amount payable weekly shall be seventy
14 percent of the "average weekly wage" for the calendar year preceding
15 such June 30th.

16 (ii) With respect to claims that have an effective date on or after
17 January 4, 2004, the maximum amount payable weekly shall be either four
18 hundred ninety-six dollars or sixty-three percent of the "average
19 weekly wage" for the calendar year preceding such June 30th, whichever
20 is greater.

21 (b) The minimum amount payable weekly shall be fifteen percent of
22 the "average weekly wage" for the calendar year preceding such June
23 30th.

24 (4) In addition to the amount payable weekly under subsection (2)
25 of this section, with respect to weeks of unemployment occurring on or
26 after the date on which the governor signs this act, and before July 2,
27 2006, a claimant and community assistance benefit shall be payable
28 weekly as provided in this subsection:

29 (a) To determine eligibility, the commissioner must calculate a
30 claimant's weekly benefit amount: (i) Under subsection (2)(c) of this
31 section; and (ii) as if the claimant's weekly benefit amount was
32 calculated under subsection (2)(a) of this section. If the amount
33 calculated under (a)(i) of this subsection is at least twenty-five
34 percent less than the amount calculated under (a)(ii) of this
35 subsection, then the claimant is eligible to receive claimant and
36 community assistance benefits.

37 (b) The amount of claimant and community assistance benefits for

1 claimants eligible under (a) of this subsection is seventy-five dollars
2 weekly.

3 (c) The employment security department must notify a claimant who
4 is eligible under (a) of this subsection of his or her eligibility,
5 which notice must include an application box to be signed and returned
6 to the department. The notice must specify that the claimant must
7 apply for the claimant and community assistance benefits by signing and
8 returning the notice. For weeks of unemployment beginning on or after
9 the Sunday following receipt of the application, the department must
10 recalculate the claimant's weekly benefit amount to include the sum of
11 the benefits paid under subsection (2) of this section and under this
12 subsection.

13 (d) The employment security department may pay claimant and
14 community assistance benefits of up to fifty million dollars in a
15 calendar year, and may not obligate expenditures beyond this limit.
16 Expenditures for benefits must be obligated in the order that
17 applications are received. The department must develop a process to
18 ensure that expenditures do not exceed the limits established in this
19 subsection.

20 (5) If any weekly benefit, maximum benefit, or minimum benefit
21 amount computed herein is not a multiple of one dollar, it shall be
22 reduced to the next lower multiple of one dollar.

23 **Sec. 2.** RCW 50.29.021 and 2003 2nd sp.s. c 4 s 21 are each amended
24 to read as follows:

25 (1) This section applies to benefits charged to the experience
26 rating accounts of employers for claims that have an effective date on
27 or after January 4, 2004.

28 (2)(a) An experience rating account shall be established and
29 maintained for each employer, except employers as described in RCW
30 50.44.010 and 50.44.030 who have properly elected to make payments in
31 lieu of contributions, taxable local government employers as described
32 in RCW 50.44.035, and those employers who are required to make payments
33 in lieu of contributions, based on existing records of the employment
34 security department.

35 (b) Benefits paid to an eligible individual shall be charged to the
36 experience rating accounts of each of such individual's employers
37 during the individual's base year in the same ratio that the wages paid

1 by each employer to the individual during the base year bear to the
2 wages paid by all employers to that individual during that base year,
3 except as otherwise provided in this section.

4 (c) When the eligible individual's separating employer is a covered
5 contribution paying base year employer, benefits paid to the eligible
6 individual shall be charged to the experience rating account of only
7 the individual's separating employer if the individual qualifies for
8 benefits under:

9 (i) RCW 50.20.050(2)(b)(i), as applicable, and became unemployed
10 after having worked and earned wages in the bona fide work; or

11 (ii) RCW 50.20.050(2)(b)(v) through (x).

12 (3) The legislature finds that certain benefit payments, in whole
13 or in part, should not be charged to the experience rating accounts of
14 employers except those employers described in RCW 50.44.010 and
15 50.44.030 who have properly elected to make payments in lieu of
16 contributions, taxable local government employers described in RCW
17 50.44.035, and those employers who are required to make payments in
18 lieu of contributions, as follows:

19 (a) Benefits paid to any individual later determined to be
20 ineligible shall not be charged to the experience rating account of any
21 contribution paying employer.

22 (b) Benefits paid to an individual filing under the provisions of
23 chapter 50.06 RCW shall not be charged to the experience rating account
24 of any contribution paying employer only if:

25 (i) The individual files under RCW 50.06.020(1) after receiving
26 crime victims' compensation for a disability resulting from a nonwork-
27 related occurrence; or

28 (ii) The individual files under RCW 50.06.020(2).

29 (c) Benefits paid which represent the state's share of benefits
30 payable as extended benefits defined under RCW 50.22.010(6) shall not
31 be charged to the experience rating account of any contribution paying
32 employer.

33 (d) In the case of individuals who requalify for benefits under RCW
34 50.20.050 or 50.20.060, benefits based on wage credits earned prior to
35 the disqualifying separation shall not be charged to the experience
36 rating account of the contribution paying employer from whom that
37 separation took place.

1 (e) Individuals who qualify for benefits under RCW
2 50.20.050(2)(b)(iv), as applicable, shall not have their benefits
3 charged to the experience rating account of any contribution paying
4 employer.

5 (f) Benefits paid under RCW 50.20.120(4) shall not be charged to
6 the experience rating account of any contribution paying employer.

7 (4)(a) A contribution paying base year employer, not otherwise
8 eligible for relief of charges for benefits under this section, may
9 receive such relief if the benefit charges result from payment to an
10 individual who:

11 (i) Last left the employ of such employer voluntarily for reasons
12 not attributable to the employer;

13 (ii) Was discharged for misconduct or gross misconduct connected
14 with his or her work not a result of inability to meet the minimum job
15 requirements;

16 (iii) Is unemployed as a result of closure or severe curtailment of
17 operation at the employer's plant, building, worksite, or other
18 facility. This closure must be for reasons directly attributable to a
19 catastrophic occurrence such as fire, flood, or other natural disaster;
20 or

21 (iv) Continues to be employed on a regularly scheduled permanent
22 part-time basis by a base year employer and who at some time during the
23 base year was concurrently employed and subsequently separated from at
24 least one other base year employer. Benefit charge relief ceases when
25 the employment relationship between the employer requesting relief and
26 the claimant is terminated. This subsection does not apply to shared
27 work employers under chapter 50.60 RCW.

28 (b) The employer requesting relief of charges under this subsection
29 must request relief in writing within thirty days following mailing to
30 the last known address of the notification of the valid initial
31 determination of such claim, stating the date and reason for the
32 separation or the circumstances of continued employment. The
33 commissioner, upon investigation of the request, shall determine
34 whether relief should be granted.

35 **Sec. 3.** RCW 50.29.025 and 2003 2nd sp.s. c 4 s 14 are each amended
36 to read as follows:

1 (1) Except as provided in subsection (2) of this section, the
2 contribution rate for each employer subject to contributions under RCW
3 50.24.010 shall be determined under this subsection.

4 (a) A fund balance ratio shall be determined by dividing the
5 balance in the unemployment compensation fund as of the September 30th
6 immediately preceding the rate year by the total remuneration paid by
7 all employers subject to contributions during the second calendar year
8 preceding the rate year and reported to the department by the following
9 March 31st. The division shall be carried to the fourth decimal place
10 with the remaining fraction, if any, disregarded. The fund balance
11 ratio shall be expressed as a percentage.

12 (b) The interval of the fund balance ratio, expressed as a
13 percentage, shall determine which tax schedule in (e) of this
14 subsection shall be in effect for assigning tax rates for the rate
15 year. The intervals for determining the effective tax schedule shall
16 be:

17	Interval of the	
18	Fund Balance Ratio	Effective
19	Expressed as a Percentage	Tax Schedule
20	2.90 and above	AA
21	2.10 to 2.89	A
22	1.70 to 2.09	B
23	1.40 to 1.69	C
24	1.00 to 1.39	D
25	0.70 to 0.99	E
26	Less than 0.70	F

27 (c) An array shall be prepared, listing all qualified employers in
28 ascending order of their benefit ratios. The array shall show for each
29 qualified employer: (i) Identification number; (ii) benefit ratio;
30 (iii) taxable payrolls for the four calendar quarters immediately
31 preceding the computation date and reported to the department by the
32 cut-off date; (iv) a cumulative total of taxable payrolls consisting of
33 the employer's taxable payroll plus the taxable payrolls of all other
34 employers preceding him or her in the array; and (v) the percentage
35 equivalent of the cumulative total of taxable payrolls.

1 (d) Each employer in the array shall be assigned to one of twenty
 2 rate classes according to the percentage intervals of cumulative
 3 taxable payrolls set forth in (e) of this subsection: PROVIDED, That
 4 if an employer's taxable payroll falls within two or more rate classes,
 5 the employer and any other employer with the same benefit ratio shall
 6 be assigned to the lowest rate class which includes any portion of the
 7 employer's taxable payroll.

8 (e) Except as provided in RCW 50.29.026, the contribution rate for
 9 each employer in the array shall be the rate specified in the following
 10 tables for the rate class to which he or she has been assigned, as
 11 determined under (d) of this subsection, within the tax schedule which
 12 is to be in effect during the rate year:

		Percent of		Schedules of Contributions Rates							
		Cumulative		for Effective Tax Schedule							
		Taxable Payrolls									
		Rate									
		From	To Class	AA	A	B	C	D	E	F	
13		0.00	5.00	1	0.47	0.47	0.57	0.97	1.47	1.87	2.47
14		5.01	10.00	2	0.47	0.47	0.77	1.17	1.67	2.07	2.67
15		10.01	15.00	3	0.57	0.57	0.97	1.37	1.77	2.27	2.87
16		15.01	20.00	4	0.57	0.73	1.11	1.51	1.90	2.40	2.98
17		20.01	25.00	5	0.72	0.92	1.30	1.70	2.09	2.59	3.08
18		25.01	30.00	6	0.91	1.11	1.49	1.89	2.29	2.69	3.18
19		30.01	35.00	7	1.00	1.29	1.69	2.08	2.48	2.88	3.27
20		35.01	40.00	8	1.19	1.48	1.88	2.27	2.67	3.07	3.47
21		40.01	45.00	9	1.37	1.67	2.07	2.47	2.87	3.27	3.66
22		45.01	50.00	10	1.56	1.86	2.26	2.66	3.06	3.46	3.86
23		50.01	55.00	11	1.84	2.14	2.45	2.85	3.25	3.66	3.95
24		55.01	60.00	12	2.03	2.33	2.64	3.04	3.44	3.85	4.15
25		60.01	65.00	13	2.22	2.52	2.83	3.23	3.64	4.04	4.34
26		65.01	70.00	14	2.40	2.71	3.02	3.43	3.83	4.24	4.54
27		70.01	75.00	15	2.68	2.90	3.21	3.62	4.02	4.43	4.63
28		75.01	80.00	16	2.87	3.09	3.42	3.81	4.22	4.53	4.73
29		80.01	85.00	17	3.27	3.47	3.77	4.17	4.57	4.87	4.97
30		85.01	90.00	18	3.67	3.87	4.17	4.57	4.87	4.97	5.17
31		90.01	95.00	19	4.07	4.27	4.57	4.97	5.07	5.17	5.37
32		95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40	5.40

33 (f) The contribution rate for each employer not qualified to be in
 34 the array shall be as follows:
 35
 36
 37
 38

1 (i) Employers who do not meet the definition of "qualified
2 employer" by reason of failure to pay contributions when due shall be
3 assigned a contribution rate two-tenths higher than that in rate class
4 20 for the applicable rate year, except employers who have an approved
5 agency-deferred payment contract by September 30 of the previous rate
6 year. If any employer with an approved agency-deferred payment
7 contract fails to make any one of the succeeding deferred payments or
8 fails to submit any succeeding tax report and payment in a timely
9 manner, the employer's tax rate shall immediately revert to a
10 contribution rate two-tenths higher than that in rate class 20 for the
11 applicable rate year; and

12 (ii) For all other employers not qualified to be in the array, the
13 contribution rate shall be a rate equal to the average industry rate as
14 determined by the commissioner; however, the rate may not be less than
15 one percent.

16 (2) Beginning with contributions assessed for rate year 2005, the
17 contribution rate for each employer subject to contributions under RCW
18 50.24.010 shall be the sum of the array calculation factor rate and the
19 graduated social cost factor rate determined under this subsection, and
20 the solvency surcharge determined under RCW 50.29.041, if any.

21 (a) The array calculation factor rate shall be determined as
22 follows:

23 (i) An array shall be prepared, listing all qualified employers in
24 ascending order of their benefit ratios. The array shall show for each
25 qualified employer: (A) Identification number; (B) benefit ratio; and
26 (C) taxable payrolls for the four consecutive calendar quarters
27 immediately preceding the computation date and reported to the
28 employment security department by the cut-off date.

29 (ii) Each employer in the array shall be assigned to one of forty
30 rate classes according to his or her benefit ratio as follows, and,
31 except as provided in RCW 50.29.026, the array calculation factor rate
32 for each employer in the array shall be the rate specified in the rate
33 class to which the employer has been assigned:

	Benefit Ratio		Rate	Rate
	At least	Less than	Class	(percent)
		0.000001	1	0.00

1	0.000001	0.001250	2	0.13
2	0.001250	0.002500	3	0.25
3	0.002500	0.003750	4	0.38
4	0.003750	0.005000	5	0.50
5	0.005000	0.006250	6	0.63
6	0.006250	0.007500	7	0.75
7	0.007500	0.008750	8	0.88
8	0.008750	0.010000	9	1.00
9	0.010000	0.011250	10	1.15
10	0.011250	0.012500	11	1.30
11	0.012500	0.013750	12	1.45
12	0.013750	0.015000	13	1.60
13	0.015000	0.016250	14	1.75
14	0.016250	0.017500	15	1.90
15	0.017500	0.018750	16	2.05
16	0.018750	0.020000	17	2.20
17	0.020000	0.021250	18	2.35
18	0.021250	0.022500	19	2.50
19	0.022500	0.023750	20	2.65
20	0.023750	0.025000	21	2.80
21	0.025000	0.026250	22	2.95
22	0.026250	0.027500	23	3.10
23	0.027500	0.028750	24	3.25
24	0.028750	0.030000	25	3.40
25	0.030000	0.031250	26	3.55
26	0.031250	0.032500	27	3.70
27	0.032500	0.033750	28	3.85
28	0.033750	0.035000	29	4.00
29	0.035000	0.036250	30	4.15
30	0.036250	0.037500	31	4.30
31	0.037500	0.040000	32	4.45
32	0.040000	0.042500	33	4.60
33	0.042500	0.045000	34	4.75
34	0.045000	0.047500	35	4.90
35	0.047500	0.050000	36	5.05
36	0.050000	0.052500	37	5.20
37	0.052500	0.055000	38	5.30

1	0.055000	0.057500	39	5.35
2	0.057500		40	5.40

3 (b) The graduated social cost factor rate shall be determined as
4 follows:

5 (i)(A) Except as provided in (b)(i)(B) and (C) of this subsection,
6 the commissioner shall calculate the flat social cost factor for a rate
7 year by dividing the total social cost by the total taxable payroll.
8 The division shall be carried to the second decimal place with the
9 remaining fraction disregarded unless it amounts to five hundredths or
10 more, in which case the second decimal place shall be rounded to the
11 next higher digit. The flat social cost factor shall be expressed as
12 a percentage.

13 (B) If, on the cut-off date, the balance in the unemployment
14 compensation fund is determined by the commissioner to be an amount
15 that will provide more than ten months of unemployment benefits, the
16 commissioner shall calculate the flat social cost factor for the rate
17 year immediately following the cut-off date by reducing the total
18 social cost by the dollar amount that represents the number of months
19 for which the balance in the unemployment compensation fund on the cut-
20 off date will provide benefits above ten months and dividing the result
21 by the total taxable payroll. However, the calculation under this
22 subsection (2)(b)(i)(B) for a rate year may not result in a flat social
23 cost factor that is more than two-tenths lower than the ~~((calculation~~
24 ~~under (b)(i)(A) of this subsection for that))~~ flat social cost factor
25 for the immediately preceding rate year. For the purposes of this
26 subsection, the commissioner shall determine the number of months of
27 unemployment benefits in the unemployment compensation fund using the
28 benefit cost rate for the average of the three highest calendar benefit
29 cost rates in the twenty consecutive completed calendar years
30 immediately preceding the cut-off date or a period of consecutive
31 calendar years immediately preceding the cut-off date that includes
32 three recessions, if longer.

33 (C) The minimum flat social cost factor calculated under this
34 subsection (2)(b) shall be six-tenths of one percent.

35 (ii) The graduated social cost factor rate for each employer in the
36 array is the flat social cost factor multiplied by the percentage
37 specified as follows for the rate class to which the employer has been
38 assigned in (a)(ii) of this subsection, except that the sum of an

1 employer's array calculation factor rate and the graduated social cost
2 factor rate may not exceed six and five-tenths percent or, for
3 employers whose standard industrial classification code is within major
4 group "01," "02," "07," "091," "203," "209," or "5148," or the
5 equivalent code in the North American industry classification system
6 code, may not exceed six percent:

- 7 (A) Rate class 1 - 78 percent;
- 8 (B) Rate class 2 - 82 percent;
- 9 (C) Rate class 3 - 86 percent;
- 10 (D) Rate class 4 - 90 percent;
- 11 (E) Rate class 5 - 94 percent;
- 12 (F) Rate class 6 - 98 percent;
- 13 (G) Rate class 7 - 102 percent;
- 14 (H) Rate class 8 - 106 percent;
- 15 (I) Rate class 9 - 110 percent;
- 16 (J) Rate class 10 - 114 percent;
- 17 (K) Rate class 11 - 118 percent; and
- 18 (L) Rate classes 12 through 40 - 120 percent.

19 (iii) For the purposes of this section:

20 (A)(I) "Total social cost" means the amount calculated by
21 subtracting the array calculation factor contributions paid by all
22 employers with respect to the four consecutive calendar quarters
23 immediately preceding the computation date and paid to the employment
24 security department by the cut-off date from the total unemployment
25 benefits paid to claimants in the same four consecutive calendar
26 quarters. To calculate the flat social cost factor for rate year 2005,
27 the commissioner shall calculate the total social cost using the array
28 calculation factor contributions that would have been required to be
29 paid by all employers in the calculation period if (a) of this
30 subsection had been in effect for the relevant period.

31 (II) For rate year 2007, the amount calculated under (b)(iii)(A)(I)
32 of this subsection is reduced by the amount of benefits paid under RCW
33 50.20.120(4).

34 (B) "Total taxable payroll" means the total amount of wages subject
35 to tax, as determined under RCW 50.24.010, for all employers in the
36 four consecutive calendar quarters immediately preceding the
37 computation date and reported to the employment security department by
38 the cut-off date.

1 (c) The array calculation factor rate for each employer not
2 qualified to be in the array shall be as follows:

3 (i) Employers who do not meet the definition of "qualified
4 employer" by reason of failure to pay contributions when due shall be
5 assigned an array calculation factor rate two-tenths higher than that
6 in rate class 40, except employers who have an approved agency-deferred
7 payment contract by September 30th of the previous rate year. If any
8 employer with an approved agency-deferred payment contract fails to
9 make any one of the succeeding deferred payments or fails to submit any
10 succeeding tax report and payment in a timely manner, the employer's
11 tax rate shall immediately revert to an array calculation factor rate
12 two-tenths higher than that in rate class 40; and

13 (ii) For all other employers not qualified to be in the array, the
14 array calculation factor rate shall be a rate equal to the average
15 industry array calculation factor rate as determined by the
16 commissioner, plus fifteen percent of that amount; however, the rate
17 may not be less than one percent or more than the array calculation
18 factor rate in rate class 40.

19 (d) The graduated social cost factor rate for each employer not
20 qualified to be in the array shall be as follows:

21 (i) For employers whose array calculation factor rate is determined
22 under (c)(i) of this subsection, the social cost factor rate shall be
23 the social cost factor rate assigned to rate class 40 under (b)(ii) of
24 this subsection.

25 (ii) For employers whose array calculation factor rate is
26 determined under (c)(ii) of this subsection, the social cost factor
27 rate shall be a rate equal to the average industry social cost factor
28 rate as determined by the commissioner, plus fifteen percent of that
29 amount, but not more than the social cost factor rate assigned to rate
30 class 40 under (b)(ii) of this subsection.

31 (3) Assignment of employers by the commissioner to industrial
32 classification, for purposes of this section, shall be in accordance
33 with established classification practices found in the "Standard
34 Industrial Classification Manual" issued by the federal office of
35 management and budget to the third digit provided in the standard
36 industrial classification code, or in the North American industry
37 classification system code.

1 **Sec. 4.** RCW 50.16.030 and 1999 c 36 s 1 are each amended to read
2 as follows:

3 (1)(a) Except as provided in (b) of this subsection, moneys shall
4 be requisitioned from this state's account in the unemployment trust
5 fund solely for the payment of benefits and repayment of loans from the
6 federal government to guarantee solvency of the unemployment
7 compensation fund in accordance with regulations prescribed by the
8 commissioner, except that money credited to this state's account
9 pursuant to section 903 of the social security act, as amended, shall
10 be used exclusively as provided in RCW 50.16.030(5). The commissioner
11 shall from time to time requisition from the unemployment trust fund
12 such amounts, not exceeding the amounts standing to its account
13 therein, as he or she deems necessary for the payment of benefits for
14 a reasonable future period. Upon receipt thereof the treasurer shall
15 deposit such moneys in the benefit account and shall issue his or her
16 warrants for the payment of benefits solely from such benefits account.

17 (b) Moneys for the payment of regular benefits as defined in RCW
18 50.22.010 shall be requisitioned in the following order:

19 (i) First, from the moneys credited to this state's account in the
20 unemployment trust fund pursuant to section 903 of the social security
21 act, as amended in section 209 of the temporary extended unemployment
22 compensation act of 2002 (42 U.S.C. Sec. 1103(d)), the amount equal to
23 the amount of benefits paid under RCW 50.20.120(4); and

24 (ii) Second, after the requisitioning required under (b)(i) of this
25 subsection, from all other moneys credited to this state's account in
26 the unemployment trust fund.

27 (2) Expenditures of such moneys in the benefit account and refunds
28 from the clearing account shall not be subject to any provisions of law
29 requiring specific appropriations or other formal release by state
30 officers of money in their custody, and RCW 43.01.050, as amended,
31 shall not apply. All warrants issued by the treasurer for the payment
32 of benefits and refunds shall bear the signature of the treasurer and
33 the countersignature of the commissioner, or his or her duly authorized
34 agent for that purpose.

35 (3) Any balance of moneys requisitioned from the unemployment trust
36 fund which remains unclaimed or unpaid in the benefit account after the
37 expiration of the period for which sums were requisitioned shall either
38 be deducted from estimates for, and may be utilized for the payment of,

1 benefits during succeeding periods, or in the discretion of the
2 commissioner, shall be redeposited with the secretary of the treasury
3 of the United States of America to the credit of this state's account
4 in the unemployment trust fund.

5 (4) Money credited to the account of this state in the unemployment
6 trust fund by the secretary of the treasury of the United States of
7 America pursuant to section 903 of the social security act, as amended,
8 may be requisitioned and used for the payment of expenses incurred for
9 the administration of this title pursuant to a specific appropriation
10 by the legislature, provided that the expenses are incurred and the
11 money is requisitioned after the enactment of an appropriation law
12 which:

13 (a) Specifies the purposes for which such money is appropriated and
14 the amounts appropriated therefor;

15 (b) Limits the period within which such money may be obligated to
16 a period ending not more than two years after the date of the enactment
17 of the appropriation law; and

18 (c) Limits the amount which may be obligated during a twelve-month
19 period beginning on July 1st and ending on the next June 30th to an
20 amount which does not exceed the amount by which (i) the aggregate of
21 the amounts credited to the account of this state pursuant to section
22 903 of the social security act, as amended, during the same twelve-
23 month period and the thirty-four preceding twelve-month periods,
24 exceeds (ii) the aggregate of the amounts obligated pursuant to RCW
25 50.16.030 (4), (5) and (6) and charged against the amounts credited to
26 the account of this state during any of such thirty-five twelve-month
27 periods. For the purposes of RCW 50.16.030 (4), (5) and (6), amounts
28 obligated during any such twelve-month period shall be charged against
29 equivalent amounts which were first credited and which are not already
30 so charged; except that no amount obligated for administration during
31 any such twelve-month period may be charged against any amount credited
32 during such a twelve-month period earlier than the thirty-fourth
33 twelve-month period preceding such period: PROVIDED, That any amount
34 credited to this state's account under section 903 of the social
35 security act, as amended, which has been appropriated for expenses of
36 administration, whether or not withdrawn from the trust fund shall be
37 excluded from the unemployment compensation fund balance for the
38 purpose of experience rating credit determination.

1 (5) Money credited to the account of this state pursuant to section
2 903 of the social security act, as amended, may not be withdrawn or
3 used except for the payment of benefits and for the payment of expenses
4 of administration and of public employment offices pursuant to RCW
5 50.16.030 (4), (5) and (6). However, moneys credited because of excess
6 amounts in federal accounts in federal fiscal years 1999, 2000, and
7 2001 shall be used solely for the administration of the unemployment
8 compensation program and are not subject to appropriation by the
9 legislature for any other purpose.

10 (6) Money requisitioned as provided in RCW 50.16.030 (4), (5) and
11 (6) for the payment of expenses of administration shall be deposited in
12 the unemployment compensation fund, but until expended, shall remain a
13 part of the unemployment compensation fund. The commissioner shall
14 maintain a separate record of the deposit, obligation, expenditure and
15 return of funds so deposited. Any money so deposited which either will
16 not be obligated within the period specified by the appropriation law
17 or remains unobligated at the end of the period, and any money which
18 has been obligated within the period but will not be expended, shall be
19 returned promptly to the account of this state in the unemployment
20 trust fund.

21 NEW SECTION. **Sec. 5.** To establish additional capacity within the
22 employment security department, the department is authorized to add two
23 full-time equivalent employees to develop economic models for
24 estimating the impacts of policy changes on the unemployment insurance
25 system and the unemployment trust fund.

26 NEW SECTION. **Sec. 6.** (1) The legislature finds that the main
27 purpose of unemployment insurance is to cushion temporary,
28 unanticipated periods of unemployment and is not intended to be a wage
29 supplement for those who are chronically or routinely unemployed
30 because they work in industries with relatively high expected
31 unemployment periods. The legislature further finds that unemployment
32 benefits provided to workers whose unemployment is routine or seasonal
33 is placing significant burdens on the unemployment insurance system and
34 is causing inequity in the distribution of unemployment taxes.
35 Therefore, it is the intent of the legislature to establish a joint

1 legislative task force on seasonal unemployment benefits to review the
2 impact of routine or seasonal benefits to the unemployment insurance
3 system and implications to employers in seasonal industries.

4 (2)(a) The joint legislative task force on unemployment insurance
5 seasonal unemployment benefits is established. The joint legislative
6 task force shall consist of the following members:

7 (i) Two members of the senate, appointed by the president of the
8 senate, one of whom shall be a member of the majority caucus and one of
9 whom shall be a member of the minority caucus;

10 (ii) Two members of the house of representatives, appointed by the
11 speaker of the house of representatives, one of whom shall be a member
12 of the majority caucus and one of whom shall be a member of the
13 minority caucus;

14 (iii) Four members representing business, selected from nominations
15 submitted by statewide business organizations representing a cross-
16 section of industries and appointed jointly by the president of the
17 senate and the speaker of the house of representatives; and

18 (iv) Four members representing labor, selected from nominations
19 submitted by statewide labor organizations representing a cross-section
20 of industries and appointed jointly by the president of the senate and
21 the speaker of the house of representatives.

22 (b) In addition, the employment security department shall cooperate
23 with the task force and maintain a liaison representative, who shall be
24 a nonvoting member. The department shall cooperate with the task force
25 and provide information as the task force may reasonably request.

26 (3) The task force shall review the unemployment insurance benefit
27 and tax structure to:

28 (a) Determine the impacts of claimants whose use of the
29 unemployment system is considered routine or chronic;

30 (b) Analyze the effect of providing full-time benefits to routine
31 or chronic unemployment insurance claimants on employer experience
32 rates and the resulting tax implications; and

33 (c) Make recommendations to the legislature regarding alternative
34 methods to address the impact of chronic and routine claimants on the
35 unemployment insurance system and the employers who employ them.

36 (4)(a) The task force shall use legislative facilities, and staff
37 support shall be provided by senate committee services and the house of

1 representatives office of program research. The task force may hire
2 additional staff with specific technical expertise if such expertise is
3 necessary to carry out the mandates of this study.

4 (b) Legislative members of the task force shall be reimbursed for
5 travel expenses in accordance with RCW 44.04.120. Nonlegislative
6 members, except those representing an employer or organization, are
7 entitled to be reimbursed for travel expenses in accordance with RCW
8 43.03.050 and 43.03.060.

9 (c) The expenses of the task force shall be paid jointly by the
10 senate and the house of representatives.

11 (5) The task force shall report its findings and recommendations to
12 the legislature by January 1, 2006.

13 (6) This section expires July 1, 2006.

14 NEW SECTION. **Sec. 7.** If any part of this act is found to be in
15 conflict with federal requirements that are a prescribed condition to
16 the allocation of federal funds to the state or the eligibility of
17 employers in this state for federal unemployment tax credits, the
18 conflicting part of this act is inoperative solely to the extent of the
19 conflict, and the finding or determination does not affect the
20 operation of the remainder of this act. Rules adopted under this act
21 must meet federal requirements that are a necessary condition to the
22 receipt of federal funds by the state or the granting of federal
23 unemployment tax credits to employers in this state.

24 NEW SECTION. **Sec. 8.** This act is necessary for the immediate
25 preservation of the public peace, health, or safety, or support of the
26 state government and its existing public institutions, and takes effect
27 immediately."

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By Senator Parlette

NOT ADOPTED 04/15/2005

28 On page 1, line 2 of the title, after "system;" strike the

1 remainder of the title and insert "amending RCW 50.20.120, 50.29.021,
2 50.29.025, and 50.16.030; creating new sections; providing an
3 expiration date; and declaring an emergency."

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